

**AMENDMENT NO. 2
TO THE AGREEMENT BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
VAVRINEK, TRINE, DAY & CO., LLP**

This agreement ("Amendment No. 2") is made and entered into on this ____ day of _____, 2008, ("Effective Date") by and between the City of Santa Clara, California, a chartered California municipal corporation, with its principal place of business located at 1500 Warburton Avenue, Santa Clara, California 95050 ("City") and Vavrinek, Trine, Day & Co., LLP a California Limited Liability Partnership with its principal place of business located at 5000 Hopyard Road, Suite 335, Pleasanton, CA 94588 ("Contractor"). Contractor and City may be referred to herein individually as a "Party" or collectively as the "Parties" or the "Parties to this Amendment No. 2."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement For Services By and Between The City of Santa Clara, California, and Vavrinek, Trine, Day & Co., LLP dated April 25, 2006 (the "Original Agreement"); and
- B. The Parties entered into Amendment No. 1 dated September 16, 2008, for the purpose of having Contractor provide additional audit services to enable the Contractor to comply with Statement of Auditing Standards 114 (SAS 114).
- C. The Parties entered into the Original Agreement and Amendment No. 1 for the purpose of having Contractor provide annual certified audit services, and the Parties now wish to amend the Original Agreement to include additional consulting work to enable the City to comply with AB 1600, compliance reporting.

In consideration of the above Recitals and the following mutual covenants and obligations, the Parties agree as follows:

AGREEMENT PROVISIONS

- 1. That Exhibit A of the Original Agreement, entitled "Scope of Services" is hereby amended to read as follows:

For the fiscal year 2008-09, VTD will provide consulting services to the City to enable compliance reporting with AB 1600 compliance reporting. These services will include research of City records, data collection, report generation and other services such as coordination with the City staff and other City consultants and other related assistance as it applies to this project.

- From un-audited expenditure and revenue information and trial balances provide to the Contractor by the City, Contractor will transcribe such data onto spreadsheets that summarizes expenditure and revenue items in accordance with AB 1600.
- Contractor will sort the revenue and expenditure data in accordance with AB 1600 that is consistent with the manner used by other reporting entities. If such a manner is inconsistent with AB 1600, the City Attorney will provide direction to us as to which method of presentation to use.
- The summary spreadsheets will provide the following:
 - The beginning and ending fund balance for each development fee account.
 - The amount of funds expended on each projects for the year just ended.
 - The amount of developer fees collected and interest earned for the year just ended.
 - If applicable, a description of each inter-fund transfer or loan made from each development fee account.
 - If applicable, the amount of refunds made pursuant to the AB 1600.
- From un-audited trial balances or drafted financial statements provide to us by the City, Contractor will transcribe cash balance totals and fund balance totals onto the spreadsheets for the purpose of documenting the length of time the City has held such funds.
- If fund balance or cash totals in the development fee accounts are being held by the City for more than five years, Contractor will identify such development fee accounts to the City.
- From copies of ordinances and resolutions provided to us by the City, Contractor will summarize the existing developer fee levies by fee type in a schedule.
- Provide samples of agenda reports detailing compliance with the various aspects AB 1600 and samples of public notices related to the filing requirements for City Attorney Review.
- Contractor will summarize our work in a written report to the City.

2. That Exhibit B of the Original Agreement, entitled "Fee Schedule" is hereby amended to read as follows:

In no event shall the amount billed to City by VTD for services under this Agreement exceed \$913,100.00, subject to budget appropriations, as follows:

<u>Year ended June 30,</u>					
<u>Total</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>\$913,100</u>	<u>\$177,800</u>	<u>\$167,700</u>	<u>\$205,100</u>	<u>\$178,500</u>	<u>\$184,000</u>

3. All other terms of the Original Agreement which are not in conflict with the provisions of this Amendment No. 2 shall remain unchanged in full force and effect. In case of a conflict in

the terms of the Original Agreement and this Amendment No. 2, the provisions of this Amendment No. 2 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 2 as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Amendment No. 2 shall become operative on the Effective Date first set forth above.

**CITY OF SANTA CLARA, CALIFORNIA,
a chartered California municipal corporation**

APPROVED AS TO FORM:

HELENE L. LEICHTER
City Attorney

JENNIFER SPARACINO
City Manager

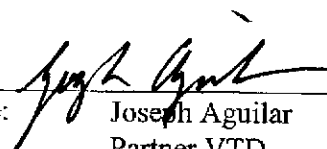
ATTEST:

ROD DIRIDON, JR.
City Clerk

1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Facsimile: (408) 241-6771

"City"

**VAVRINEK, TRINE, DAY & CO., LLP,
a California Limited Liability Partnership**

By: 
Name: Joseph Aguilar
Title: Partner VTD
Address: 8270 Aspen Drive
Rancho Cucamonga, CA 91730
Telephone: (909) 466-4410
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"Contractor"

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